

# FOREIGN POLICY BULLETIN

*An analysis of current international events*



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## ***Pakistan Presses for UN Action on Kashmir***

KARACHI—While the attention of the United States is focused on Korea and the repercussions that the victory of the UN forces there might have on Russia and Communist China, all eyes in this capital of the fifth largest nation in the world are fixed, to the exclusion of all else, on Pakistan's conflict with India over Kashmir. The report of Sir Owen Dixon, Australian mediator appointed by the UN Security Council to examine the possibilities of settling this conflict, has aroused Pakistani public opinion to fever-pitch.

The first news of the report—received here in an incomplete version which indicated that Sir Owen had taken India's side against Pakistan—confirmed prevailing Pakistani opinion that India has no intention of negotiating a settlement about Kashmir and brought calls from the militant frontiersmen in Peshawar for a *Jehād* (holy war) against the Indian state, always referred to here by its Indian name, *Baharat*. The more moderate view, adopted after study of the complete text of the Dixon report, is that the UN Security Council must now reach a decision on Kashmir, since all the possibilities of negotiation and mediation under the Charter have been tried and found wanting.

### ***Bilateral Talks Opposed***

The most galling feature of the Dixon report, in the opinion of the Pakistanis, is the mediator's suggestion that the Security Council should renounce the responsibility it had previously assumed for a Kashmir settlement and should inform the two contestants that they must settle the dispute through direct negotiations.

Typical of the general reaction to this suggestion is an editorial in an Urdu language newspaper which describes it as a "denial of the existence of the United Nations." The press, and various spokesmen, draw a sharp contrast between the swift action of the Security Council on Korea and what are regarded as its unpardonable and, according to many, sinister procrastinations on Kashmir.

The United States and Britain are held directly responsible for the Council's failure to act because of what is regarded here as their desire to placate Nehru. The view is being widely expressed that the UN, as stated on September 28 by Mohammad Yusef Khattak, general secretary of the All-Pakistan Muslim League, has become an organization "employed and tolerated" by the two Western powers to crush the Soviet Union but not to defend the rights of weaker nations. This view is all the more significant because hitherto Pakistan, 70 million of whose 80-million population are Muslims, has prided itself on the intrinsic resistance of Muslim religious principles to the inroads of Communist propaganda.

At the core of Pakistani emotion over Kashmir is the strong conviction that India, now a member of the Security Council, has succeeded in using its influence in the United Nations to defeat Pakistan on Kashmir. From the Pakistani point of view, India is a two-faced nation, preaching nonviolence as its heritage from Gandhi and asserting its leadership in peace plans for Korea while, at the same time, in Kashmir pursuing

the aspirations of Indian "imperialism." To the Pakistanis, Kashmir is an essential part of their economy; to India, they contend, the disputed area is merely one more of many territories absorbed since partition and would have meant little if it were not for Nehru's personal ties of sentiment with Kashmir. The Pakistanis regard it as the last straw that, after getting what they believe to be the short end of the bargain in the 1947 partition of the subcontinent, they should now be faced with the loss of Kashmir where, they fear, Nehru is counting on time to confirm his *fait accompli*.

### ***Search for New Policy***

The current feeling of resentment, climaxing three years of growing frustration, is all the more acute because the Pakistanis feel their government went very far to meet India's views during its conversations with Sir Owen Dixon. Receding from its previous insistence on a general plebiscite in Kashmir, Karachi had indicated that, provided India did likewise, it would accept the principle of dividing the territory between India and Pakistan in accordance with the wishes of the Kashmiri people where these wishes were already known. Only when these wishes were in doubt, as in the Vale of Kashmir, would a limited local plebiscite be held under conditions insuring a fair choice. When Nehru, in reply to a direct query by Sir Owen, refused this proposal, the Pakistanis saw in his refusal confirmation of their worst fears about India's ultimate intentions regarding Kashmir.

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Disappointment over the Dixon report and doubts about the prospects of clear-cut action by the Security Council have sharpened discussion in Karachi about the possibilities of charting a new course in world affairs. Pakistan contends that its efforts to support the United States, the United Nations and the British Commonwealth have so far borne meager fruit. What are the other alternatives? The most obvious one—of seeking the support of the U.S.S.R.—holds little temptation for this predominantly Muslim country. American observers feel that hitherto Pakistan has been overcomplacent about the dangers of Russia and communism. Now, however, it is possible that Karachi may point to the spectre of Russia's threat to the Northwest Frontier—long feared by the British in the nineteenth century—as a strong argument for more favorable consideration of its Kashmir claims by Washington and London, and perhaps also for additional financial aid by the West to supplement assistance now regarded as inadequate.

Pakistanis are concerned over India's attempt to play the role of spokesman for Asia, and it would not be surprising if Pakistan should seek to play a comparable

role in the Muslim world, emphasizing relations with the nations of the Middle East. In this connection, it is important to note that strong criticism has been expressed here concerning India's recognition of Israel (the name Israel is used in quotes by the Pakistani press). This decision, say some of the Urdu-language newspapers, was taken without any consideration for the feelings of India's Muslim population and was made to please the United States—a statement accompanied by open expressions of anti-Semitism.

### **Tests Ahead**

Some spokesmen, moreover, take the view that if the United Nations fails to mete out justice to Pakistan on Kashmir, UN membership must be reconsidered by the small nations, which should not allow themselves to become pawns in the game of power politics. In the statement already referred to, the general secretary of the Muslim League proposes that in such a contingency, small nations should form a new UN where the principle of "might is right" would not be preached and worshipped.

In the midst of this powerful ferment, Prime Minister Liaquat Ali Khan, who

has demonstrated qualities of statesmanship in dealing with the whole range of Pakistan-India controversies, persists in the hope of peaceful adjustments through the United Nations. Should this hope prove vain, the popular wrath now directed at Sir Owen Dixon, the UN Security Council, the United States and Britain might be turned in full force on the Prime Minister, leaving the initiative in the hands of Muslim extremists who are urging a holy war against India.

While Nehru is bitterly criticized in Karachi, it is realized that he, too, is subjected to pressure from opponents in the Congress party who believe he has been too lenient in his policy toward Pakistan, and it is feared that Purshottamdas Tandon, newly elected president of the Congress party, might initiate an anti-Muslim campaign which could lead to renewed communal riots. The Kashmir issue has thus become a test not only of the foreign policies of the two nations that emerged from partition of the subcontinent in 1947, but also of their respective governments in domestic politics.

VERA MICHELES DEAN

(This is the first of a series of articles on current Asian problems.)

## **UN Victory in Korea Poses Question of Rhee's Future**

The October 12 decision by the UN's Interim Committee on Korea—which would limit the authority of President Syngman Rhee's Republic of Korea to the area south of the 38th Parallel and ask General Douglas MacArthur to set up a UN-sponsored civil authority north of the line—may have profound influence on the struggle for peace and unity in Korea. The Seoul government promptly notified the UN that this proposal was "unacceptable" as both "wrong in principle and untenable in practice."

### **Conflict Regarding Rhee**

The difference of opinion thereby brought into the open reflects a basic problem of the utmost importance for Korea's future. Many observers, including influential governments such as those of India, Britain and Australia, oppose extending the authority of the Rhee regime to all of Korea because they think that it will be unable to carry out the social reforms and gain the popular support which, as John King Fairbank pointed out in the October 13 issue of the FOREIGN POLICY BULLETIN, is so urgently

needed if Communist guerrilla resistance is to be suppressed.

In justifying their position, however, the Rhee spokesmen point out that their regime was organized under the auspices of the UN, was recognized by the General Assembly as the only legal government in Korea and is therefore entitled to assume control of the North. They also contend that the Korean Assembly, elected in June 1948, provided for 100 seats to be assigned to the North after unification.

Against these arguments, opponents of Rhee make two principal points. The first is that recognition was based on the UN Commission's acknowledgment of a lawful government established "over that part of Korea" in which it was able to observe elections. It is argued that there was a reservation of intent to seek a more fundamental solution whenever the reunion of the two zones became possible.

The second point is based on Rhee's record. The original intent of the Korean Assembly was to establish a president with strictly limited powers, according to

the French model. Rhee, however, was able to make the cabinet responsible only to himself. Thus fortified, the administration proceeded to dissipate the assets of the state—a considerable quantity, thanks to the confiscation of Japanese property—while the Korean won plummeted from an actual exchange rate of 100 to the dollar down to a rate of 1,500. Dr. Arthur Buncie, the ECA Korean Administrator, served upon Rhee a long series of Washington-directed complaints which went unheeded. While couched in diplomatic terms, they in effect blamed the venality of the administration for the waste of American aid funds. Finally, in April 1950, American Ambassador John Muccio delivered an unprecedented open rebuke, denouncing Rhee's attempt to cancel the approaching elections.

During 18 months of his rule, President Rhee frequently jailed Korean personnel of the UN Commission—on spurious charges or on none—warned Koreans against cooperating with the Commission, and hampered that group with heavy-handed censorship. Legislators were sum-

marily imprisoned for petitioning the Commission to remove foreign troops, a request which, however unwise, was a reflection of the popular will and a legitimate political activity. Other legislators were imprisoned for attempting to restore the cabinet's responsibility to the Assembly.

### ***Growth of Opposition***

In the elections of May 30, 1950, despite overt police activity and "youth group" pressure, Rhee's party, the National Society, won only 10 of 210 seats. Twenty-two seats went to the Democratic Nationalist party, a rightist group once led by Rhee but now influenced more by such leaders as Shin Ik Hi, Lee Chung Chun and Hong Kil Sun, returned émigrés from China, who give their deeper loyalty to the memory of Kim Koo, the assassinated former president-in-exile. Most seats, however, went to opposition parties, and heavy votes went to men known to have incurred the president's disapproval. The conclusion of the press and foreign representatives was that the elections constituted a condemnation of the

administration and at the same time gave heartening evidence that the people were beginning to learn self-government.

Unless political maturity has begun to develop, however, it would be futile to eliminate Rhee only to have another arbitrary ruler seize personal power. The evidence, fortunately, does not warrant a defeatist view. As the Koreans weigh possible sources of new leadership, the most obvious will lie among the following of Cho Man Sik, founder of the Chosun Democratic party. Cho himself has been a Russian prisoner since January 1946 and probably has little chance of living to reach freedom. His party, which swept the free local elections in the North in 1945, has several leaders surviving in the South. Among these Lee Yun Yung is probably paramount. The party adheres to a vaguely religious egalitarianism.

The fate of another Korean leader, Kimm Kiusic, is also in doubt. Left in Seoul last June without means of escape, he may have prejudiced his cause by his coerced collaboration. Kimm's National Independence Federation, which invoked the open enmity of Rhee, has the quiet

approbation of most Korean intellectuals, including many whose announced allegiance, for obvious reasons, has gone to Rhee. Among Kimm's followers are Won Sei Hoon and Lyuh Woon Hong, both of whom were elected last May in crucial areas adjacent to the capital. Lyuh is the younger brother and possible political heir of the assassinated Lyuh Woon Hyung.

Korea may well be on the road toward self-government. If the social and intellectual ferment is permitted to seek its own channels of expression, new leadership will also appear, including authentic spokesmen for the peasantry. Whether or not these hopeful potentialities will be allowed to develop, however, depends to a large extent on the policies which the UN Commission adopts toward the Syngman Rhee government and the success it has in encouraging and safeguarding the emergence of various rival groups and interests.

LEONARD M. BERTSCH

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## ***Iran Disappointed with Extent of U.S. Aid***

The timing of the recent U.S.S.R.-Iranian trade talks to coincide with the Korean affair, rather than their substance, signifies their importance as part of Moscow's current peace offensive. A Soviet boycott of Iranian goods has been an important feature of Russian pressure on the Teheran government for the last two years. This boycott, plus a stepped up program of radio attacks from Moscow and Baku, sporadic border incursions and a series of stiff protests against the use of American technical help in surveys for the Iranian Oil Company, has added to chronic Iranian fear of renewed Soviet expansion southward.

### ***Razmara Government***

Meanwhile, following a familiar pattern, Teheran's attention has been focused on means of enlisting further American military support and financial aid. The state visit of the Shah, Mohammed Reza Pahlavi, to the United States last year and the cordial if noncommittal joint statement issued by him and President Truman at the end of that visit set the stage for what Teheran hoped would be more tangible evidences of American interest. On the Shah's return home there was a

noticeable emphasis on the need for speedy reforms via the much advertised seven-year plan and a series of moves designed to reassure potential lenders. The Iranian ambassador to Washington, Mr. Hussein Ala, was recalled to become foreign minister in a cabinet shake-up. Dr. Taqui Nasr of the International Bank for Reconstruction and Development was also recalled as minister of finance. When these two were unable to effect immediate reforms in the country's shaky economy, and when the Soviet propaganda campaign became a little higher pitched than usual in May, the Shah turned to his military chief of staff, General Ali Razmara, elicited from him an assurance that he would serve in a strictly civilian capacity as head of a reform cabinet, and on June 26 appointed him prime minister.

Fears that Razmara would become a dictator were somewhat dissipated when his first move was to decentralize the government, with the aim of putting responsibility for local social reforms in the hands of provincial councils. Failure to accomplish much real decentralization can be laid at the door of the land-owning class which continues to control the Majlis

(parliament) and to resist attempts to break its hold over the provinces. Similar opposition has prevented Razmara from carrying out his proposals for budget reforms and increasing social services through the plan. He has been frustrated in this effort by an unruly merchant class which continues to resist all attempts to regulate inflationary prices and hoarding of consumer goods. For political reasons Razmara has been forced to allow Dr. Nasr to resign to avoid a showdown with this element.

Nevertheless, some progress can be noted. Thanks to a large harvest after two lean years, wheat is plentiful and Razmara has been able to lower the cost of bread. A new office in the Ministry of Labor is attempting to register and find jobs for the increasing number of unemployed laid off by Iran's capital-starved industries. Quota restrictions have been removed on a list of essential imports. At the same time the Bank Melli Iran has made more credit available for such items, and export duties have been eased to encourage trade. Newly established industrial units are to be exempt from customs regulations and taxes for five

years. There has been a determined effort to reduce civil service payrolls, eliminating many undesirables and supernumeraries. Finally there has been an unprecedented crackdown on tax delinquent citizens, culminating in the broadcasting of their names over Radio Teheran early in October. Such heroic devices have an ominous sound in a country hitherto controlled exclusively by the propertied class and the men they put in power. Obviously another showdown for power impends, and it will require the full backing of the Shah to save the Razmara government.

The necessity of tax reform is clear in a country where less than a twelfth of the revenue comes from income tax. Customs duties, the opium and tobacco monopolies and the Anglo-Iranian Oil Company provide the rest. Beginning this year, however, all oil revenue is earmarked by law for the seven-year plan. Government emergencies which last spring required borrowing from these plan funds have in turn crippled the plan in its first year of operation and have dealt the plan organization a blow in prestige. It remains to be seen whether the announced intention of Overseas Consultants, Inc.—the group of American engineering and industrial firms which issued a 1,250-page analysis of the plan last year—to withdraw as advisers to the plan organization will be final and whether, if it is, the present trend toward carrying out the plan by piecemeal operations through regular government ministries can be made to work.

### Relations with Russia

The Soviet Union's strategy in Iran will have succeeded beyond expectation if the plan fails altogether. In contrast to the present official peace campaign, the clandestine station at Baku continues to attack the plan as an instrument of American exploitation and expansionism, citing such projected improvements as that of the Persian Gulf port at Khorramshahr as part of a scheme to monopolize Iranian trade.

There are no illusions in Teheran as to the purpose behind Russian willingness to re-establish trade in the north. Soviet proposals have indicated a desire to reinstate widespread commercial contacts in the provinces exploited so profitably dur-

### Branch and Affiliate Meetings

BOSTON, October 23, School Forum, Admiral Chester W. Nimitz, Christian A. Herter  
 BOSTON, October 23, *The United Nations*, Admiral Chester W. Nimitz  
 BOSTON, October 23, *The United Nations*, James P. Warburg  
 DETROIT, October 23, Luncheon at Windsor, Harding F. Bancroft  
 DETROIT, October 23, *The US and Canada at the UN*, Harding F. Bancroft, R. G. Riddell  
 NEW YORK, October 23, *Austria Between East and West*, Karl Gruber, Foreign Minister of Austria  
 ST. LOUIS, October 23, William Agar  
 CLEVELAND, October 24, *Korea—Turning Point for the UN*, Chester Williams  
 DETROIT, October 24, *WHO's Work*, Richard Miles  
 DETROIT, October 24, *United Nations: Promise or Illusion*, Doreen Gentile  
 PHILADELPHIA, October 24, *UN Observance Day*, Hon. Warren R. Austin, Madame Vijaya Lakshmi Pandit, Ambassador of India  
 ALBANY, October 25, Community UN Celebration, Louise Yim  
 MILWAUKEE, October 26, *Pakistan Faces the Future*, M. A. H. Ispahani, Ambassador of Pakistan  
 PHILADELPHIA, October 27, *The Economic Cooperation Administration*, William L. Batt  
 SHREVEPORT, October 30, *The Schuman Plan*, André Philip  
 DETROIT, October 31, *America's Policy: War or Peace?* Alfred H. Kelly  
 BETHLEHEM, November 1, *Rationing—By Coupon or by Purse*, Wilfred T. C. King  
 COLUMBUS, November 1, *Problems of European Recovery*, Louis J. Halle  
 CLEVELAND, November 2, *European Economic Federation*, André Philip

ing the war. Razmara in turn has insisted on definite limitations to the deal, channeling it through five new Iranian government companies to be set up for this purpose. Nor will Iran accept credits for Russian goods in lieu of the return of the 12 tons of Iranian gold still impounded in Moscow and \$8 million due for Iranian goods and services to Soviet forces during the war. The test of Soviet anxiety to resume trade will be in the acceptance or refusal of this stipulation.

Iran's real desire to open up a natural channel for exports in the north is evidenced by recent gestures designed to appease Moscow. One such move is the renewed ban on travel by foreigners to the border and tribal areas. It is symptomatic of the low boiling point of political tempers that Soviet radio attacks on the summer travels of Supreme Court Justice William Douglas of the United States have been taken seriously by Teheran—even to the extent of crediting him, in the left-wing press, with stirring up the

### News in the Making

WAR FLARES IN INDO-CHINA: As guerrilla fighting in Indo-China began to assume the dimensions of full-scale modern warfare, with the hard-pressed French forced to withdraw from key frontier forts, Paris has turned to the United States for additional financial assistance in meeting its military budget, as well as for a faster flow of equipment to Indo-China.

VIETNAM BEFORE THE UN?: Meanwhile, a French investigation mission is preparing to re-examine the Indo-China question. There is growing sentiment in Saigon for submitting the problem to the UN; and leaders of the French Socialist party are reported as favoring such a proposal, in contrast to their previous support for negotiations with Ho Chi Minh.

TENSIONS IN ISRAEL: Charges and countercharges made by Israel and its Arab neighbors against each other are currently being discussed in the UN Security Council. Meanwhile, internal disputes over economic and religious policy have led to the first cabinet crisis in the two-year-old Jewish state, precipitated by the withdrawal of three Orthodox-bloc ministers from the government. After failing to form a new cabinet, Prime Minister David Ben Gurion called for new elections to the Knesset in two months.

September rebellion of the Javanrudi tribes, whom he did not happen to visit.

The question in all of this for United States policy makers is whether such gestures as the sending of Ambassador Henry F. Grady to bolster up the Razmara regime, the granting of military aid to the extent of some \$12 million and relatively small reconstruction loans, such as that for \$25 million from the Export-Import Bank, announced on October 10, are sufficient tokens of American interest in this very soft spot on the perimeter of "containment." It is important to recognize that Iranians will not consider them so.

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